

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Thursday, May 27, 1943, at 11:00 a.m.

PRESENT: Mr. Eccles, Chairman  
Mr. Ransom, Vice Chairman  
Mr. Szymczak  
Mr. McKee  
Mr. Draper

Mr. Morrill, Secretary  
Mr. Bethea, Assistant Secretary  
Mr. Carpenter, Assistant Secretary  
Mr. Clayton, Assistant to the Chairman

The action stated with respect to each of the matters hereinafter referred to was taken by the Board:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on May 26, 1943, were approved unanimously.

Memorandum dated May 21, 1943, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending that Miss Marie L. Powers be appointed as a clerk-stenographer in that Division, with basic salary at the rate of \$1,800 per annum, effective as of the date upon which she enters upon the performance of her duties after having passed satisfactorily the usual physical examination.

Approved unanimously.

Memorandum dated May 17, 1943, from Mr. Morrill, recommending, effective June 1, 1943, (1) that the following increases in basic salaries of employees in the Secretary's Office be approved:

| <u>Name</u>       | <u>Designation</u> | <u>Salary Increase</u> |           |
|-------------------|--------------------|------------------------|-----------|
|                   |                    | <u>From</u>            | <u>To</u> |
| Campbell, Frances | Junior File Clerk  | \$1,440                | \$1,560   |

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| <u>Name (Continued)</u> | <u>Designation</u> | <u>Salary Increase</u> |           |
|-------------------------|--------------------|------------------------|-----------|
|                         |                    | <u>From</u>            | <u>To</u> |
| Davis, Marilyn          | Junior File Clerk  | \$1,440                | \$1,560   |
| Beale, Loretta D.       | Junior File Clerk  | 1,560                  | 1,620     |
| Haltigan, Helen A.      | Junior File Clerk  | 1,560                  | 1,620     |
| Dodge, Mary Mae         | Junior File Clerk  | 1,680                  | 1,740     |
| McAllister, Emily A.    | Junior File Clerk  | 1,680                  | 1,740     |
| Hunter, Beatrice        | File Clerk         | 1,740                  | 1,860     |
| Maize, Margery D.       | File Clerk         | 1,860                  | 1,980     |
| Ward, Thelma E.         | File Clerk         | 1,740                  | 1,860     |

and (2) that the temporary appointments of Frances Campbell and Marilyn Davis be made permanent.

Approved unanimously.

Letter prepared for the signature of Chairman Eccles to Honorable Sumner Welles, Under Secretary of State, reading as follows:

"The Board of Governors of the Federal Reserve System has given careful consideration to your letter of May 6 requesting that it make available the services of one or two experts for approximately six months to advise the Paraguayan Government on monetary and banking measures. The Board is prepared to make available the services of two members of its staff who have already been in close touch with the Manager of the Banco de la Republica del Paraguay, who, as you know, has been working in this country on broadly the same problem. During most of this time his headquarters have been here at the Board. The two staff members whom we have in mind are Mr. Walter R. Gardner, Chief of the International Section, and Mr. Robert A. Triffin who is in charge of work in the Latin American field. Under existing circumstances, however, it will not be feasible to spare these men for as long a period as six months. Both have other important assignments here. Mr. Gardner, in particular, is engaged upon duties from which it will be difficult to free him except for a limited period of time.

"It is the Board's hope that much of the work of the group of experts which is now forming can be done in Washington with a view to reducing to a minimum the time that will be required in Paraguay. Such a procedure would have the added benefit of reaching something like a common approach to the problem before the group departs for Paraguay to conduct interviews and

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"shape final conclusions on the spot. It is our thought that Mr. Gardner might devote perhaps a month to initiating the program in Paraguay and that Mr. Triffin and other members of the group might stay on for varying periods according to the nature of the problems with which they were dealing. It is to be hoped that most of the work on money and central banking required to be done in Paraguay itself can be completed in one or two months. It is possible, however, that it may take longer; and in order to expedite the work as much as possible and at the same time provide some means of continuing it on an adequate basis if Mr. Gardner's participation must be cut short, the Board considers it advisable that a third member of its staff should be associated with the project. The participation of the third man might be informal at the outset, with the possibility that he might later be named an official member of the group.

"The Board will be glad to pay the salaries of the men drawn from its staff and also their travel and subsistence expenses if that is the nature of the arrangement."

Approved unanimously.

Letter to Mr. Hays, Vice President and Secretary of the Federal Reserve Bank of Cleveland, reading as follows:

"As requested in your letter of April 24, the Board of Governors approves the payment of a fee of \$10 to directors for attending the meetings of the Executive Committee held on the same date as board meetings, such fee to be in addition to the usual fee for attendance at a meeting of the board of directors."

Approved unanimously.

Letter to Mr. Mulroney, Vice President of the Federal Reserve Bank of Chicago, reading as follows:

"In accordance with the request contained in your letter of May 22, 1943, the Board approves the appointment of Ralph Emmerson Young as an examiner for the Federal Reserve Bank of Chicago. Please advise us of the date upon which the appointment becomes effective."

Approved unanimously.

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Letter to Mr. Chalfont, Manager of the Detroit Branch of the Federal Reserve Bank of Chicago, reading as follows:

"This refers to your letter of May 20, 1943, regarding the meaning of 'out-of-pocket expenses' as used in the Board's telegram of May 12, 1943, regarding the charging of commitment, termination, service, and other fees in connection with loans guaranteed under Regulation V.

"The term 'out-of-pocket expenses' as thus used has not been defined by the Board, since it is felt that the term has a reasonably well-defined meaning which can usually be determined in the light of the facts of particular cases. Generally speaking, overhead expenses are not regarded as 'out-of-pocket expenses' and, accordingly, charges for such expenses would fall within the prohibition of the Board's telegram of May 12, 1943."

Approved unanimously, together with a letter to each of the services transmitting copies of the incoming letter and the above reply.

Thereupon the meeting adjourned.

Chesster Morrie  
Secretary.

Approved:

W. C. C. C.  
Chairman.